

256.221 Rural Iowa primary care loan repayment program — fund — appropriations.

1. *Program established.* A rural Iowa primary care loan repayment program is established to be administered by the college student aid commission for purposes of providing loan repayments for medical students who agree to practice as physicians in service commitment areas for five years and meet the requirements of [this section](#).

2. *Eligibility.* An individual is eligible to apply to enter into a program agreement with the commission pursuant to [subsection 3](#) if the individual is enrolled full-time in and receives a recommendation from the state university of Iowa college of medicine or Des Moines university — osteopathic medical center in a curriculum leading to a doctor of medicine degree or a doctor of osteopathic medicine degree.

3. *Program agreements.* A program agreement shall be entered into by an eligible student and the commission during the eligible student's final year of study leading to a doctor of medicine or doctor of osteopathic medicine degree. Under the agreement, to receive loan repayments pursuant to [subsection 5](#), an eligible student shall agree to and shall fulfill all of the following requirements:

a. Receive a doctor of medicine or doctor of osteopathic medicine degree from an eligible university and apply for, enter, and complete a residency program approved by the commission.

b. Apply for and obtain a license to practice medicine and surgery or osteopathic medicine and surgery in this state.

c. Complete the residency program requirement.

d. Within nine months of graduating from the residency program and receiving a permanent license in accordance with paragraph "b", engage in the full-time or part-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, obstetrics and gynecology, neurology, or general surgery for a period of five consecutive years in the service commitment area specified under [subsection 8](#), unless the loan repayment recipient receives a waiver from the commission to complete the years of practice required under the agreement in another service commitment area pursuant to [subsection 8](#).

4. *Priority to Iowa residents.* The commission shall give priority to eligible students who are residents of Iowa upon enrolling in the university.

5. *Loan repayment amounts.* The amount of loan repayment an eligible student who enters into an agreement pursuant to [subsection 3](#) shall receive if in compliance with obligations under the agreement shall be forty thousand dollars annually for an eligible loan if the total loan amount equals or exceeds two hundred thousand dollars. Payments made pursuant to an agreement entered into under [subsection 3](#) may be made for each year of eligible practice during a period of five consecutive years and shall not exceed a total of two hundred thousand dollars. If the total amount of an eligible student's eligible loan upon graduation is less than two hundred thousand dollars, the commission shall divide the total amount of the eligible student's eligible loan by five to determine the annual amount of loan repayment the loan recipient is eligible to receive.

6. *Refinanced loans.* A loan repayment recipient who refinances an eligible loan by obtaining a private educational loan may continue to receive loan repayment under [this section](#) if the amount of loan repayment does not exceed the lesser of the amount specified in [subsection 5](#) or the balance of the loan repayment amount the loan repayment recipient qualified to receive with the eligible loan.

7. *Program agreement limitation.* The commission shall not enter into more than twenty program agreements annually unless surplus funds are available. The percentage of agreements entered into pursuant to [subsection 3](#) by students attending eligible universities shall be evenly divided. However, if there are fewer applicants at one eligible university, eligible student applicants enrolled in other eligible universities may be awarded the remaining agreements.

8. *Selection of service commitment area.* A loan repayment recipient shall notify the commission of the recipient's service commitment area prior to beginning practice in the

area. The commission may waive the requirement that the loan repayment recipient practice in the same service commitment area for all five years.

9. *Rules for additional loan repayment.* The commission shall adopt rules to provide, in addition to loan repayment provided to eligible students pursuant to an agreement entered into under [subsection 3](#), and subject to the availability of surplus funds, loan repayment to a physician who received a doctor of medicine or doctor of osteopathic medicine degree from an eligible university as provided in [subsection 2](#), obtained a license to practice medicine and surgery or osteopathic medicine and surgery in this state, completed the physician's residency program requirement, and is engaged in the full-time or part-time practice of medicine and surgery or osteopathic medicine and surgery specializing in a practice area listed in [subsection 3](#), paragraph "d", in a service commitment area for a period of five consecutive years. The amount of loan repayment provided to a physician pursuant to [this subsection](#) shall be subject to the same limitations applicable to an eligible student under [subsection 5](#). The total amount of a physician's eligible loans shall be established as of the date the physician applies for loan repayment pursuant to [this subsection](#).

10. *Part-time practice — agreement amended.* A person who entered into an agreement pursuant to [subsection 3](#) may apply to the commission to amend the agreement to allow the person to engage in a part-time practice specified in [subsection 3](#), paragraph "d". For agreements entered into pursuant to [subsection 3](#) prior to July 1, 2022, the commission and the person may consent to amend the agreement under which the person shall engage in the part-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, obstetrics and gynecology, neurology, or general surgery in a service commitment area, for an extended period of part-time practice determined by the commission to be proportional to the amount of full-time practice remaining under the original agreement.

11. *Postponement and satisfaction of service obligation.*

a. The obligation to engage in practice in accordance with [subsection 3](#) shall be postponed for the following purposes:

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

(4) A period of service commitment to the United States public health service commissioned corps.

(5) A period of religious missionary work conducted by an organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

(6) Any period of temporary medical incapacity during which the person obligated is unable, due to a medical condition, to engage in full-time or part-time practice as required under [subsection 3](#), paragraph "d".

b. Except for a postponement under paragraph "a", subparagraph (6), an obligation to engage in practice under an agreement entered into pursuant to [subsection 3](#), shall not be postponed for more than two years from the time the full-time or part-time practice was to have commenced under the agreement.

c. An obligation to engage in full-time or part-time practice under an agreement entered into pursuant to [subsection 3](#) shall be considered satisfied when any of the following conditions are met:

(1) The terms of the agreement are completed.

(2) The person who entered into the agreement dies.

(3) The person who entered into the agreement, due to a permanent disability, is unable to practice medicine and surgery or osteopathic medicine and surgery.

d. If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with [subsection 3](#), the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with [subsection 3](#) may also be subject to repayment of moneys advanced by the service commitment area as provided in any agreement with the service commitment area.

12. *Trust fund established.* A rural Iowa primary care trust fund is created in the state treasury as a separate fund under the control of the commission. The commission shall remit all repayments made pursuant to [this section](#) to the rural Iowa primary care trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of [this section](#). Moneys in the fund up to the total amount that an eligible student or a physician may receive for an eligible loan in accordance with [this section](#) and upon fulfilling the requirements of [subsection 3](#) or [subsection 9](#), as applicable, shall be considered encumbered for the duration of the eligible student's or physician's obligation under [subsection 3](#) or [subsection 9](#), as applicable. Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) in subsequent fiscal years.

13. *Definitions.* For purposes of [this section](#):

a. “*Eligible loan*” means the physician’s total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, the recipient’s federal grad plus loans, or the recipient’s federal Perkins loan, including principal and interest.

b. “*Eligible university*” means either the state university of Iowa college of medicine or Des Moines university — osteopathic medical center.

c. “*Part-time practice*” means at least seventy percent of a forty-hour workweek.

d. “*Service commitment area*” means a city in Iowa that provides a twenty thousand dollar contribution for deposit in the rural Iowa primary care trust fund for each physician in the community who is participating in the loan repayment program and the city meets any of the following conditions:

(1) Is a city within a federal mental health shortage area, as designated by the health resources and services administration of the United States department of health and human services, if the physician participating in the loan repayment program specializes in psychiatry.

(2) Is a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand. The commission shall determine the distance between cities by calculating the most direct driving route.

[2012 Acts, ch 1108, §1](#); [2012 Acts, ch 1138, §58 – 60](#)

[C2013, §261.113](#)

[2013 Acts, ch 141, §14, 15](#); [2014 Acts, ch 1061, §7 – 10](#); [2014 Acts, ch 1135, §16, 17](#); [2016 Acts, ch 1038, §1](#); [2016 Acts, ch 1073, §87 – 89](#); [2020 Acts, ch 1007, §1 – 3, 7, 8](#); [2021 Acts, ch 21, §1 – 3](#); [2022 Acts, ch 1032, §48](#); [2022 Acts, ch 1134, §8 – 14](#); [2023 Acts, ch 19, §2641](#)

[C2024, §256.221](#)

2020 amendments to section apply retroactively to January 1, 2019, for recipients of loan repayment; 2020 Acts, ch 1007, §8
Section transferred from [§261.113](#) in Code 2024 pursuant to directive in [2023 Acts, ch 19, §2641](#)